

FLUIDIZED BED COMBUSTION TECHNOLOGY TAX EXEMPTION CERTIFICATE

Issued To

Certificate Number _____

Certificate Effective Date _____

Expiration Date _____

1. This certificate is issued pursuant to the provisions of Kentucky Revised Statute 211.392 and entitles the holder to the tax benefits checked below:

- Corporation License Tax (KRS 136.070(1))
- Property Tax (KRS 132.020, KRS 132.200(15))
- Sales and Use Tax (KRS 139.480(20))

The tax benefits listed above are limited to the facility location shown on Line 2 and to the item(s) listed on Line 5. Please see the reverse side of this certificate for more information concerning these tax benefits.

2. Location of facility

3. Estimated or actual capitalized cost of construction of the facility as determined by the IRS (per application)

4. Estimated market value of the facility for which application is made (per application)

5. Following a review of your application, it has been determined that the following item(s) qualify for exemption under KRS 211.390 and KRS 211.392.

Supervisor
Division of Sales and Use Tax
Office of Sales and Excise Tax

Date _____

EXPLANATORY NOTES

Corporation License Tax

To determine the correct property factor for corporation license tax purposes, exclude the property which has been certified as a fluidized bed energy production facility pursuant to KRS 211.392 from the numerator and denominator of the property factor.

Property Tax

KRS 132.200(15) provides that property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390 shall be subject to state tax only of 15¢ per \$100 valuation (KRS 132.020(1)). Actual cost of the fluidized bed energy production facility and equipment will be used as the valuation. Fluidized bed energy production facilities financed by industrial revenue bonds (under KRS Chapter 103) would be tax-exempt.

Sales and Use Tax

The certificate holder or the certificate holder jointly with a purchasing construction contractor may purchase tax-free materials and equipment for the construction, erection or installation of the fluidized bed energy production facility covered by this certificate. The certificate holder or the certificate holder jointly with a purchasing construction contractor must issue a Certificate of Exemption for Fluidized Bed Energy Production Facility, Revenue Form 51A230, to the material or equipment supplier as the supplier's evidence of a tax-free sale.